

**VIRGINIA COLLEGE BUILDING AUTHORITY  
BOARD OF COMMISSIONERS MEETING**

**April 14, 2008 11:30 a.m.**

Treasury Board Conference Room

James Monroe Building

101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor

Richmond, Virginia

Members Present: William L. Nusbaum, Chairman  
Heidi W. Abbott, Vice-Chairman  
Richard D. Brown  
John F. “Jack” Carter  
Daniel J. LaVista  
J. Braxton Powell  
Joseph S. Testa  
David A. Von Moll  
Elaine R. Wilde  
Edward Villanueva

Members Absent: Vinod B. Agarwal

Others Present:	Stephanie Hamlett, Esq.	Attorney General’s Office
	Charles P. Shimer, Esq.	Troutman Sanders LLP
	John D. McPhaul, Esq.	Troutman Sanders LLP
	Russell Carmichael	State Council of Higher Education
	Hope Broughman	Auditor of Public Accounts
	Evelyn R. Whitley	Secretary, VCBA, Department of the Treasury
	Janet A. Aylor	Assistant Secretary, VCBA, Department of the Treasury
		Treasury
	Jeanine Black	Department of the Treasury
	Treasury Staff attended	

**Call to Order and Approval of Minutes**

Mr. Nusbaum called the meeting to order at 11:30 a.m. After ascertaining that there were no members of the public present who wished to speak, he asked if there were any comments on or corrections to the minutes of the September 11, 2007 Virginia College Building Authority Board Meeting. Hearing none, he requested a motion for approval of the minutes. Mr. Villanueva made the motion; Mr. Powell seconded, and all members present unanimously adopted the motion.

Mr. Brown arrived at 11:36 a.m.

**Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2008A**

Ms. Aylor reviewed the Preliminary Financing Summary for the proposed issuance of up to \$160,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2008A. She informed the board that HB 5001 and SB 5001, which propose to provide for capital improvement planning and funding for state colleges and universities were still in the General Assembly's conference committee. She also mentioned that the budget bill amending the current Appropriation Act provides for VCBA bonds to be issued to supplant general funds for certain projects. Mr. Brown stated that the individual projects are still being negotiated. Ms. Aylor explained to the board that because of sooner than expected demand from state colleges and universities for funds for previously approved bond-financed projects, the Virginia College Building Authority has obtained a \$40,000,000 Treasury Loan. Upon closing of the proposed issue the outstanding amount on the Treasury Loan will be paid back using the bond proceeds. Mr. Shimer from Troutman Sanders LLP, bond counsel to the Authority, introduced his colleague, Mr. John McPhaul who will also be working with the Virginia College Building Authority. Mr. Shimer reviewed the Resolution before the Board. A discussion ensued.

Mr. Villanueva moved the approval of the Resolution (contained in Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2008A; Mr. Powell seconded, and the motion was unanimously adopted by all members present.

**Other Business**

Ms. Aylor introduced Janet Lee and Christine Ilarina, both from Public Resources Advisory Group, who participated by telephone. Ms. Lee reviewed the report analyzing the performance of the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C, prepared by Public Resources Advisory Group (Exhibit A). A discussion ensued.

Ms. Black reviewed the Final Financing Summaries for the Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2007A, and the Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program), Series 2007B.

Mr. Nusbaum noted the legislative update agenda item was covered when Ms. Aylor discussed the proposed issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2008A.

The board discussed scheduling of the next board meeting that will be held in June. It was unanimously decided that June 25, 2008 at 10:00 a.m. will be the next Virginia College Building Authority board meeting. Ms. Aylor informed the board members that the principal purposes of the meeting will be to conduct Financial Advisor interviews and allow the College of William and Mary to seek approval of a proposed stand-alone pooled bond issue.

**Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 12:40 p.m.

Respectfully submitted,  
Janet A. Aylor  
Assistant Secretary

/s/ Janet A. Aylor\_\_\_\_\_

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.

**VIRGINIA COLLEGE BUILDING AUTHORITY  
RESOLUTION AUTHORIZING THE ISSUANCE OF  
EDUCATIONAL FACILITIES REVENUE BONDS (21ST  
CENTURY COLLEGE AND EQUIPMENT PROGRAMS)  
SERIES 2008A**

**WHEREAS**, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia (the “Commonwealth”) created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”), for the purpose of, among others, financing the construction of capital improvements at, and the acquisition of equipment for, public higher educational institutions in the Commonwealth;

**WHEREAS**, during the 1996 Session of the General Assembly of Virginia (the “General Assembly”), the General Assembly created the 21st Century College Program (the “21st Century College Program”), pursuant to which and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds to finance the cost of certain capital improvements at public higher educational institutions in amounts not in excess of amounts authorized from time to time by the General Assembly (the “21st Century College Projects”);

**WHEREAS**, during the 1998 Special Session of the General Assembly, the General Assembly modified its equipment leasing program to create the Equipment Program (the “Equipment Program”), pursuant to which and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds to finance the cost of certain scientific, technical and other equipment for teaching, research and related activities at public higher educational institutions in amounts not in excess of the amounts authorized from time to time by the General Assembly (the “Equipment Projects”);

**WHEREAS**, the source of payment of bonds issued under the 21st Century College Program and the Equipment Program is appropriations, if any, made at the discretion of the General Assembly to the Treasury Board of the Commonwealth (the “Treasury Board”), and because the source of payment is the same, the Authority has combined the financing for the Equipment Projects with the financing for the 21st Century College Projects;

**WHEREAS**, in furtherance of the purposes of the Act, the 21st Century College Program and the Equipment Program, the Authority has determined to issue under the Master Indenture of Trust dated as of December 1, 1996 (as previously amended and supplemented, the “Master Indenture”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”), as further supplemented by the Sixteenth Supplemental Indenture of Trust expected to be dated as of June 1, 2008 (the “Sixteenth Supplemental Indenture”), between the Authority and the Trustee, and to sell its Educational Facilities Revenue Bonds (21st Century College and Equipment Programs) Series 2008A (the “2008A Bonds”), the proceeds of which will be used to finance the construction of certain 21st Century College Projects and Equipment Projects at certain public higher educational institutions (the “2008A Participating Institutions”);

**WHEREAS**, as of the date of the adoption of this Resolution, it is anticipated that

the 2008A Participating Institutions and the related 21st Century College Projects and Equipment Projects eligible to be financed with proceeds of the 2008A Bonds are as listed in Exhibit B to the form of Sixteenth Supplemental Indenture presented to this meeting; ***provided, however,*** the Authority may determine (i) before the 2008A Bonds are issued to finance one or more of such projects in another way or (ii) before or after the 2008A Bonds are issued to finance other projects qualifying for financing under the 21<sup>st</sup> Century College Program and the Equipment Program with proceeds of the 2008A Bonds as shall be determined by the State Treasurer as provided herein;

**WHEREAS**, the Amended and Restated Payment Agreement dated as of June 1, 1999 (the “Payment Agreement”) between the Authority and the Treasury Board provides for certain payments appropriated by the General Assembly under the 21st Century College Program and the Equipment Program to be paid to the Authority to support the debt service on the bonds issued under the Master Indenture;

**WHEREAS**, certain matters regarding the use of the 21st Century College Projects are governed by a number of Facilities Agreements (the “Existing 21st Century Facilities Agreements”), each between the Authority and a 2008A Participating Institution that has a 21st Century College Project, and the Authority desires to enter into one or more new 21<sup>st</sup> Century Facilities Agreements with 2008A Participating Institutions to govern the use of Facilities not bound by an Existing 21<sup>st</sup> Century Facilities Agreement (the “New 21<sup>st</sup> Century Facilities Agreement”);

**WHEREAS**, certain matters regarding the use of the Equipment Projects are governed by a number of Facilities Agreements (the “Existing Equipment Facilities Agreements”), each between the Authority and a 2008A Participating Institution that has an Equipment Project;

**WHEREAS**, the 2008A Bonds will be offered for sale pursuant to a Preliminary Official Statement to be dated the date of its release (the “Preliminary Official Statement”) and will be awarded by the Authority through a competitive bidding process using a Notice of Sale to be dated the date of the Preliminary Official Statement (the “Notice of Sale”), which states the structure and terms of the sale of the proposed 2008A Bonds;

**WHEREAS**, the Authority will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the purpose of providing certain information for the benefit of holders of the 2008A Bonds; and

**WHEREAS**, drafts of the Sixteenth Supplemental Indenture, including a draft of the 2008A Bonds as Exhibit A thereto, the Preliminary Official Statement, the Notice of Sale and the Continuing Disclosure Agreement, have been presented to this meeting and filed with the Authority’s records.

**NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY THAT:**

- 1. Preliminary Official Statement; Notice of Sale.** The Preliminary Official

Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or the State Treasurer's staff in connection with the offering and sale of the 2008A Bonds, is approved and the distribution thereof is authorized. The Authority authorizes the State Treasurer or such officer of the Authority as the State Treasurer may designate to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted by such Rule. The Notice of Sale, in substantially the form presented at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or the State Treasurer's staff in connection with the offering and sale of the 2008A Bonds, is approved and the distribution and advertisement thereof is authorized.

**2. Competitive Bidding; Credit Ratings.** The Authority authorizes and directs its staff, its financial advisor, Public Resources Advisory Group, and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the 2008A Bonds to market through a competitive electronic bidding process as soon as practicable, (b) to advertise the 2008A Bonds for sale and (c) to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the 2008A Bonds from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings and/or Moody's Investors Service, Inc.

**3. Issuance and Sale of Series 2008A Bonds.** Pursuant to the Act, the Authority authorizes the issuance of the 2008A Bonds in accordance with the Sixteenth Supplemental Indenture and the sale thereof in accordance with the Notice of Sale, *provided, however,* that (a) the aggregate principal amount of the 2008A Bonds shall not exceed \$160,000,000; (b) the final maturity of the 2008A Bonds shall not exceed February 1, 2029; and (c) the true interest cost of the 2008A Bonds, determined in accordance with the terms of the Notice of Sale, shall not exceed 5.75%, taking into account original issue discount or premium, if any.

**4. Bond Documents.** The Authority ratifies and confirms the Master Indenture, the Payment Agreement, the Existing 21st Century Facilities Agreements and the Existing Equipment Facilities Agreements. The officers of the Authority are each hereby authorized to execute and deliver one or more New 21<sup>st</sup> Century Facilities Agreements in substantially the same form as the Existing 21<sup>st</sup> Century Facilities Agreements, and any amendments to such Existing 21<sup>st</sup> Century Facilities Agreements and Existing Equipment Facilities Agreements, in such form as bond counsel may provide, as shall be necessary or desirable in connection with issuance of the 2008A Bonds and the structure or amortization thereof.. The form of the Sixteenth Supplemental Indenture, including the form of the 2008A Bonds, is approved, with such changes, insertions, additions, deletions and amendments as the State Treasurer or such officer of the Authority as the State Treasurer may designate shall approve. The approval of any such changes, insertions, additions, deletions and amendments shall be evidenced conclusively by the execution and delivery of the 2008A Bonds by the Authority. The Authority authorizes and directs its officers to execute and deliver the Sixteenth Supplemental Indenture and the 2008A Bonds.

**5. Delegation to State Treasurer and Others; Award of Series 2008A**

**Bonds.** The Authority hereby delegates to the State Treasurer or such officer of the Authority as the State Treasurer may designate the power with respect to the 2008A Bonds, subject to the limitations set forth in Paragraph 3: (a) to determine the list of the 2008A Participating Institutions and the related 21st Century College Projects and Equipment Projects, as of the date of issuance of the 2008A Bonds, and to expand such list from time to time to allow proceeds of the 2008A Bonds to finance other projects qualifying for financing as 21st Century College Projects and Equipment Projects; (b) to approve the details of the 2008A Bonds, including, without limitation, the maturity schedule, the interest rates, the redemption provisions; (c) to approve the form of all documents that are appropriate to carry out the contemplated financing; (d) to deem the Preliminary Official Statement final as of its date as contemplated in Paragraph 1 and to complete the Preliminary Official Statement in final form as contemplated in Paragraph 6; (e) to change the date and/or time of the sale or cancel the sale of the 2008A Bonds, if in such person's sole discretion conditions so warrant; (f) to award the 2008A Bonds to the responsive bidder whose bid offers to purchase the 2008A Bonds at the lowest true interest cost to the Authority as determined by Public Resources Advisory Group, the Authority's financial advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale, including the receipt of bids electronically; and (g) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the 2008A Bonds.

**6. Official Statement.** The Authority authorizes and directs the State Treasurer and the State Treasurer's staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for the delivery to the Winning Bidder of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the 2008A Bonds, for distribution by the Winning Bidder to each potential investor requesting a copy thereof and to each person to whom the Winning Bidder initially sells 2008A Bonds. The Authority authorizes and approves the distribution of the Official Statement by the Winning Bidder.

**7. Continuing Disclosure.** The Authority covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices" in accordance with the Continuing Disclosure Agreement for the benefit of holders of the 2008A Bonds to assist the Winning Bidder in complying with the Rule. The Authority authorizes and directs the Chairman, the State Treasurer or such other officer of the Authority as the State Treasurer may designate to execute the Continuing Disclosure Agreement in substantially the form presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, the State Treasurer or such designee may approve. The execution by the Chairman, the State Treasurer or such designee of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

**8. Other Documents.** The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2008A Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the borrowing to show that such expected use and

investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the borrowing, and (c) providing for payment of any such rebate amount.

**9. Other Actions.** The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) the issuance and sale of the 2008A Bonds and the use of the proceeds thereof and (b) the implementation of the 21st Century College Program and the Equipment Program.

**10. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Adopted: April 14, 2008



The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Commissioners of the Authority, upon the vote as noted below, at a duly called meeting of the Board held on April 14, 2008:

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Present	Aye
David A. Von Moll	Present	Aye
Richard D. Brown	Present	Aye
Daniel J. LaVista	Present	Aye
Heidi W. Abbott	Present	Aye
Vinod B. Agarwal	Absent	
John F. "Jack" Carter II	Present	Aye
William L. Nusbaum	Present	Aye
Joseph S. Testa	Present	Aye
Edward Villanueva	Present	Aye
Elaine R. Wilde	Present	Aye

/s/ Janet A. Aylor  
 Assistant Secretary, Virginia College Building  
 Authority

[SEAL]

Date: April 14, 2008

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